



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

Shana Jones, Special Assistant
Daryl Fields, Public Information Officer
(210) 384-7452

November 15, 2006

**FORMER NURSING HOME OPERATOR PLEADS GUILTY TO
HEALTH CARE FRAUD AND MONEY LAUNDERING CHARGES**

United States Attorney Johnny Sutton announced that Rocky R. Lemon, 44, of Satellite Beach, Florida, pleaded guilty today in federal court in Austin to one count of Health Care Fraud and one count of Money Laundering. The offenses carry a total maximum punishment of up to 20 years in federal prison and a maximum \$500,000 fine.

From about 1997 through April 2001, Lemon owned and/or operated over 50 nursing homes in Texas and several other states through TLC Healthcare, Inc. Lemon admitted that from at least 1998 until April 2001, he executed a scheme to defraud the Medicare Program and the Texas Medicaid Program by unlawfully diverting Medicare and Medicaid monies to his own personal use and benefit. As part of his scheme, among other things, Lemon unlawfully used Medicare and Medicaid monies to finance his purchase of nursing homes. Shortly thereafter, he sold some of the nursing homes for profit and funneled a substantial portion of the net proceeds into his personal bank and brokerage accounts. He also used Medicare and Medicaid funds to engage in other transactions unrelated to fulfilling his obligations to Medicare and Medicaid beneficiaries. In 2001, Lemon abandoned all of his Texas nursing care facilities, forcing Texas authorities to assume control and management of a number of his nursing homes. The estimated combined loss to Medicare and Medicaid as a result of Lemon's criminal scheme was approximately \$4.2 million.

This case was investigated by the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation Division and the Medicaid Fraud Control Unit of the Texas Attorney General's Office. Assistant United States Attorney Matthew Devlin is prosecuting this case on behalf of the government.

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